

Indiana House of Representatives

News and Information

*Media Office
Democratic Caucus
John Schorg, Director
Statehouse, Room 157
Indianapolis, Indiana 46204
1-800-382-9842 or 1-317-232-9621
Fax Number: 1-317-232-9792*

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MAHERN BILL ON RESIDENTIAL REDEVELOPMENT PASSED OUT OF COMMITTEE

INDIANAPOLIS – State Rep. Edmund Mahern (D-Indianapolis) was pleased to see House Bill 1718, legislation that he authored that deals with residential redevelopment, unanimously passed out of the House Local Government Committee.

"It was very heartening to see that both Democrats and Republicans could come together on this issue," said Mahern. "The necessity of redeveloping our cities and helping low-income Hoosiers find affordable housing is something that everyone can agree on."

Residential areas in Indianapolis and second class cities will be able to be designated residential redevelopment areas. Currently, 25 residential areas across Indiana could be designated as redevelopment areas.

In addition, House Bill 1718 will provide an assessed valuation deduction for the redevelopment of residential property in a designated residential redevelopment area. The bill also includes an income tax credit for sales taxes paid on building materials used for construction in these areas. Additional income tax credit is offered for the purchase of a newly constructed or rehabilitated property used as a primary residence in a residential redevelopment area.

"This bill should help with urban areas that need to be redeveloped," said Mahern. "With redevelopment will come a better property tax base and urban sprawl will be prevented."

Other potential benefits could come as a result of House Bill 1718, such as taxable wage payments to those employed on rebuilding in the residential redevelopment areas and the purchases of heating/air conditioning units, water heaters, household appliances, furniture, etc.

Also, at least 40 percent of the homes built or redeveloped in residential redevelopment areas will be reserved for lease or sale to people who are earning no more than 80 percent of the median income for that area. House Bill 1718 will be providing affordable homes for low- and middle-income families.

House Bill 1718 now moves to the House for further consideration.